

PNC BANK DEPOSITORY AGREEMENT AND COLLATERALIZED LINE OF CREDIT

Finance and Audit Committee

November 8, 2019

ACTION REQUESTED

Recommend this item to the Executive Committee for placement on the December 2019 Board Agenda

- Authorize the Executive Director to sign a depository agreement with PNC Bank and approve collateral for a line of credit

PREVIOUS ACTION

The Board approved the procurement of a revolving line of credit and related policy in March 2019. The policy requires the Finance and Audit Committee and the Board to approve of collateral.

BACKGROUND

Federal government shutdown



Contingency Plan

Approval for Line of Credit (LOC) Procurement and Policy



Current Bank – No LOC

BACKGROUND

RFP for Banking Services:

Issued: June 5, 2019

Deadline: July 6, 2019

Extension: July 31, 2019

Advertised: Website and direct to banks

Responder: PNC Bank



BACKGROUND

PNC Bank offered a line of credit if primary bank:

Depository Relationship -

- Good credit ratings
- Outstanding CRA rating in 2018
- Ohio Pooled Collateral System
- Reasonable fees and earnings credit

MOODY'S

STANDARD
& POOR'S

Fitch Ratings

BACKGROUND

Proposed Line of Credit:

- Amount Up to \$750,000 pending credit approval
- Collateral local revenues and other charges
- Interest rate LIBOR + 1.4%, only if used
- Origination fees < \$1,000



FINANCIAL IMPACTS

Negligible monthly banking charges:

Can be locked in for three years

Reasonable earnings credit to offset fees

Documentation fees of \$1,000



NEXT STEPS

Pending Board approval, the Executive Director will sign a depository agreement with PNC contingent upon an approved and acceptable LOC collateralized by local revenues and other charges.

Staff will work to transfer the primary bank accounts to PNC Bank and oversee the execution of the loan agreement.

ACTION

Recommend this item to the Executive Committee for placement on the December Board Agenda

PNC Depository Agreement and Collateralized Line of Credit



**Motion
Second
Discussion
Put the Question**





NOACA will **STRENGTHEN** regional cohesion, **PRESERVE** existing infrastructure, and **BUILD** a sustainable multimodal transportation system to **SUPPORT** economic development and **ENHANCE** quality of life in Northeast Ohio.

